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CONFIDENTIAL ROME 003285

SIPDIS

DEPT FOR NEA

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TAGS: IR PREL IT IAEA SUBJECT: IAEA: ITALY AGREES TIME IS RUNNING OUT FOR IRAN

REF: A. STATE 182534 <u>¶</u>B. ROME 2950 ¶C. CANBERRA 1597

Classified By: POL M/C Tom Countryman for reasons 1.5 (b) and (d).

- 11. (C) Summary. The Italian MFA continues to prefer a strategy that avoids risking breaking off all dialogue with Iran, but at the same time acknowledges that the situation in the IAEA is getting worse. While Italy did not explicitly say it would vote against a referral to the UNSC, it does not see it as a move that would produce the desired results, i.e., full compliance with the IAEA, and fears that a vote could either backfire -- in Tehran's favor -- or put Tehran's back against the wall to the point where it would pull out of the NPT altogether. End summary.
- 12. (C) Poloff met with MFA Office Director for Disarmament Giovanni Iannuzzi and Iran Desk Officer Federica Ferrari Bravo to discuss Iran-related points of Ref A demarche on August 26. Iannuzzi, summarizing his understanding of the talking points, said that the most important point seemed to be that time is running out for Iran. Poloff reiterated that we have already had four strong BOG resolutions condemning Iran's behavior and yet it continues to fail to comply fully with the IAEA and now is defying commitments made to the EU3 regarding suspension of enrichment activities. To be credible, the BOG needs to take stronger action.
- 13. (C) Both agreed the situation for Iran is worse now than it was during the June BOG meetings. However, they continued to insist on the need to keep the dialogue open, keep up IAEA pressure, and not throw away the good work and progress that has been accomplished by IAEA inspections. Iannuzzi noted that the inspections have discovered some "skeletons in the closet," albeit no outright NPT violations. He added that Iran's progress in ratifying the Additional Protocol is at a standstill, hostage to Tehran's efforts to secure more favorable terms from the IAEA. At the same time, Iran is applying it when necessary to satisfy inspectors.
- $\P 4$. (C) Ferrari Bravo noted that Italy continues to prefer to play a role as mediator, as always, but she agreed with Iannuzzi that time is running short. However, our MFA interlocutors said they were not convinced that serious action in the form of a referral to the UNSC is warranted. On the contrary, it could spur Iran to take action of its own. Ferrari Bravo, who spent four years in Italy's Embassy in Tehran, explained that maximum pressure does not frighten the Iranians, who face even greater pressure internally. They need to feel they are part of a process; if they feel they are up against a wall, they will balk -- probably by leaving the NPT.
- 15. (C) Referral to the UNSC, they said, would be an "extreme measure" (Iannuzzi) and "last resort" (Ferrari Bravo). Furthermore, they argued, it is unlikely a majority of BOG members would vote in favor of a referral, in which case Iran wins. When pressed as to whether Italy would vote in favor, Iannuzzi sidestepped the question by responding that even if all the EU members of the BOG voted in favor along with the US, Canada, and Australia, they were still very unlikely to reach a majority of the votes.
- 16. (C) Regarding the EU3 initiative, Iannuzzi and Ferrari Bravo both agreed that it had failed. Iannuzzi said, although he wished the initiative had worked, pressure from three European countries was doomed to lack the effectiveness of pressure from all 25 (i.e., an EU initiative), and that it had been clear for at least the last month that the process wasn't working. At the last meeting between the EU3 and the Iranians in Paris, the two sides had basically agreed to disagree. (Ferrari Bravo said each side blamed the other for failing to keep its promises, to which poloff interjected that the burden should be on Iran, not the EU3). Iannuzzi opined that, contrary to their promise to the EU3, the Iranians had never really suspended enrichment activities, using private industry contracts already in place as an excuse for having their hands tied.
- 17. (C) (Strictly protect) Iannuzzi and Ferrari Bravo both agreed, and specifically asked poloff not to make written note, that the Iranians believe things will change after the

upcoming US presidential election, regardless of who wins. They believe that after November 6 the US will have a clearer

interlocutor for Iran, making it easier to engage in productive discussion. As part of Iran's post-US election strategy, Ferrari Bravo noted that Iranian Secretary of the Iranian Supreme National Security Council Rowani is planning to visit European countries in the next few months, just as he is doing now in Asia (Ref C).

- 18. (C) Ferrari Bravo said Italy is in constant dialogue with the Iranians, both publicly and privately, and consistently sends a strong message on the nuclear issue. They believe the message is getting through to their interlocutors, however much denial they profess. Ferrari Bravo commented, "It must be very difficult to be an Iranian diplomat."
- 19. (C) On human rights, Ferrari Bravo noted the strong statement put out by the EU after its most recent human rights dialogue with the Iranians. She added, however, that human rights was not Italy's greatest concern with respect to Iran at the moment -- the nuclear issue is.
- 110. (C) Note: Both Iannuzzi and Ferrari Bravo accompanied Under Secretary for Africa and the Middle East Alfredo Mantica on his recent trip to Iran (Ref B). They said, despite what the Iran press reports about his meetings, Mantica delivers a tough message and has even been criticized by the Iranians for being too tough.

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